

## Message Text

UNCLASSIFIED

PAGE 01 YAOUND 00016 061024Z

51

ACTION AID-05

INFO OCT-01 AF-06 ISO-00 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 RSC-01 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 AGR-10 IO-10 FEA-01 OES-05 INT-05 L-02 H-02

IGA-01 /109 W

----- 068168

R 060625Z JAN 75

FM AMEMBASSY YAOUNDE

TO SECSTATE WASHDC 4877

UNCLAS YAOUNDE 0016

E.O. 11652: N/A

TAGS: EFIN, EAID, EGEN, CM

ECONOMIC CRISIS:REVIEW OF LDC BALANCE OF PAYMENTS SITUATION

REF: STATE 275634

1. REPLIES GIVEN BELOW TO QUESTIONS POSED REFTEL ARE BEST ESTIMATES POST CAN GATHER AT PRESENT. FIGURES ARE DRAWN HEAVILY FROM IMF ANNUAL REPORTS WHICH OFFER MOST COMPREHENSIVE AND ACCURATE DATA THROUGH 1973. ESTIMATES FOR CY 1974 AND 1975 ARE ESTRAPOLATIONS OF THIS DATA BASED ON DECERN-IBLE TRENDS AND SHOULD BE USED ONLY FOR ROUGH COMPARISONS. TRADE FIGURES ARE BASED ON CUSTOMS DATA WHICH IS BELIEVED TO BE SOMEWHAT UNDERVALUED BUT WHICH IS ACCEPTED BY GURC AND IMF FOR BALANCE OF PAYMENTS FIGURES. COMMODITY CIF PRICE ESTIMATES PROVIDED REFTEL CAUSE CONSIDERABLE DISTORTION (BOOSTING EARNINGS BY 100 PERCENT) SINCE LOCAL EXPORT COMMODITIES DO NOT RPT NOT ALWAYS COMMAND TOP PRICES ON WORLD MARKETS AND VALUES GIVEN IN CUSTOMS FIGURES FOR PAST YEARS ARE USUALLY COMPUTED FOB DOUALA. ESTIMATES OF 1975 COMMODITY EARNING ARE, THEREFORE, MADE ON ESTIMATED CROP YIELDS WITH COMMODITY PRICE INCREASE ADJUST OF

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 YAOUND 00016 061024Z

15 PERCENT A YEAR FOR COCOA, 10 PERCENT A YEAR FOR COFFEE

AND MINUS 20 PERCENT FOR 1974 TIMBER BUT 1973 PRICE LEVELS  
FOR TIMBER SOLD IN CY 1975.

## 2. A. EXPORTS (FOB)

CY 1973		CY 1974		CY 1975	
VOLUME	VALUE	VOLUME	VALUE	VOLUME	VALUE
(000M.T.) (MILLIONS OF US DOLLARS)					
TOTAL	DOLS 348.1	332.2	266.1		
COCOA 107	101.5	109	113.6	115	131.6
COFFEE:					
ROBUSTA 53.0	55.1	55.6	62.4	58.3	71.6
ARABICA 28.9	35.0	20.2	24.5	22.2	29.6
TIMBER 660.9	58.8	330.4	23.5	400.0	35.6

## B. IMPORTS (CIF)

TOTAL DOLLARS	331.1	372.5	407.5
FERTILIZER 48.4	3.96	50.0 DOLS 6.6	40.0 DOLS 6.3
PETROLEUM 356.4	21.1	367.3	43.4 387.5 46.7
FOODGRAINS 97.2	15.5	100.0	18.0 95.0 19.6
" 225 FRANCS CFA ; DOLLARS 1.00			
C. TRADE BALANCE	17.0	-40.3	-41.4
D. NET SERVICES	-24.0	-27.6	-31.4
E. NET TRANSFER	2.4	1.8	1.2

## F. BALANCE ON

CURRENT ACCOUNT	-4.6	-66.1	-71.6
-----------------	------	-------	-------

## G. OFFICIAL CAPITAL, NET. (MED AND LONG TERM)

TOTAL	42.4	44.0	45.0
(1) US	.5	.5	.5
(2) DAC	17.0	19.0	20.0
(3) OPEC	0	0	0
(4) COMM.BLOC 1		.2	.2
"22 FRANCS CFA ; DOLS 1.00			

	CY 1973	CY 1974	CY 1975
--	---------	---------	---------

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 YAOUND 00016 061024Z

	VALUE	VALUE	VALUE
H. PV T CAPITAL NET.	18.0	18.0	18.0
I. OVERALL BALANCE	55.8	-4.1	-8.6
J. FINANCED BY:			
(1) IMF OIL FACILITY	0	5.7	5.0
(2) IMF OTHER	0	8.5	5.0
(3) OTHER BORROWING	-13.3	0	"10.0

(4) CHANGE IN RESERVES	-2.7	11.9	11.6
(INCREASE-)			
K. DEBT SERVICE	-21.2	-22.0	23.0
L. FGN. EXCHANGE RESERVES			
(GROSS)	37.2	25.3	13.7

SOURCES OF DATA ARE AS FOLLOWS: INTERNATIONAL FINANCIAL STATISTICS, VOL. XXVII, NO. 10, OCTOBER 1974., IMF ANNUAL REPORT ON CAMEROON, JULY 31, 1974., UNDP 1973 ANNUAL REPORT ON DEVELOPMENT ASSISTANCE IN CAMEROON., IMPORT-EXPORT FIGURES 1973, CHAMBER OF COMMERCE, INDUSTRY AND MINES, DOUALA.

4. GNP GROWTH RATES WILL PROBABLY BE ABOUT 3-4 PERCENT FOR 1974 AND 1975, WHICH PARALLEL THOSE DURING THE 1971-72 AGRICULTURAL SLUMP IN CAMEROON. GROWTH RATE IS BELIEVED TO HAVE PICKED UP TO ABOUT 7 PERCENT IN 1973 FOLLOWING INCREASES IN COCOA AND TIMBER PRICES. DRASTIC REDUCTION IN TIMBER EXPORTS FROM MID-1974 AND DROUGHT-INDUCED DECLINE IN ARABICA COFFEE PRODUCTION APPEAR TO BE MAIN REASONS FOR GROWTH DECLINE AT PRESENT. ENERGY CRISIS ONLY BELIEVED marginally RESPONSIBLE FOR GNP GROWTH DECLINE.

5. DECLINE IN EXPORT EARNINGS WILL LIMIT NEW DEVELOPMENT PROJECTS AND TRIM IMPORTS OF CAPITAL GOODS. GOVERNMENT WILL BE EVEN MORE INCLINED TO SEEK DEVELOPMENT LOANS ON CONCESSIONAL TERMS AND MARGINAL RETURN PROJECTS WILL PROBABLY BE POSTPONED. LITTLE LEEWAY EXISTS FOR ENERGY REDUCTION SAVINGS BUT GURC HAS PUT PRESSURE ON OIL EXPLORATION COMPANIES TO RESUME DRILLING AND EXPLOITATION OF PETROLEUM DEPOSITS WHERE POSSIBLE. PLANS STILL EXIST FOR LOCAL REFINERY OF 1.5 MILLION METRIC TONS CAPACITY WHICH COULD HOPEFULLY BE RUN BY MODEST LOCALLY EXTRACTED PETROLEUM. EXPLOITATION AND REFINERY ONLY IN DRAWING BOARD STAGE AND COULD NOT REPEAT NOT BE REALIZED

UNCLASSIFIED

PAGE 04 YAOUND 00016 061024Z

BEFORE 1977. PETROLEUM STABILIZATION FUND SET UP EARLY 1974 TO SUBSIDIZE KEROSENE PRICE WHICH HITS LOWEST INCOME GROUP HARDEST, RETAIL DISTRIBUTORS NOW MAKING SLIGHTLY NEGATIVE RETURN ON KEROSENE SALES. STABILIZATION FUND, WHICH WAS SET UP AS TEMPORARY EXPEDIENT, WILL PROBABLY BE EXTENDED IN NEAR FUTURE.

6. NO DEFINITE DEVELOPMENT ASSISTANCE COMMITMENT BY OPEC COUNTRIES KNOWN TO EXIST. SAUDI ARABIANS NOW HAVE LOCAL DIPLOMATIC MISSION AND SEVERAL HIGH LEVEL MEETINGS HAVE TAKEN PLACE IN RIYADH BETWEEN SAUDI AND CAMEROONIAN OFFICIALS. A TEAM OF SAUDI ENGINEERING EXPERTS WERE SHOWN SOME EXISTING INDUSTRIAL AND AGRICULTURAL PROJECTS WITH HOPES OF ATTRACTING DEVELOPMENT ASSISTANCE OF INVESTMENT OF SOME SORT.

MOORE

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LESS DEVELOPED COUNTRIES, FINANCIAL CRISIS, BALANCE OF PAYMENTS DATA  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 JAN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975YAOUND00016  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750004-1086  
**From:** YAOUNDE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750174/aaaacnqx.tel  
**Line Count:** 168  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION AID  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 STATE 275634  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 03 MAR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <03 MAR 2003 by RicharJA>; APPROVED <12 FEB 2004 by ShawDG>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** n/a  
**TAGS:** EFIN, EAID, EGEN, CM  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006